What is claimed is:

1. A transflective display device, comprising:
an upper substrate and a lower substrate;
a liquid crystal layer interposed between the inner surface of the upper substrate and the inner surface of the lower substrate;
a reflective electrode layer formed overlying the inner surface of the lower substrate to serve as a reflective area of a pixel electrode;
a transparent electrode layer formed overlying the inner surface of the lower substrate, in which the transparent electrode layer not covered by the reflective electrode layer serves as a transmissive area of a pixel electrode;
a first polarizer formed overlying the outer surface of the upper substrate;
a second polarizer formed overlying the outer surface of the lower substrate; and
an optical compensation plate formed between the second polarizer and the lower substrate.

2. The transflective display device as claimed in claim 1, further comprising a backlight device disposed adjacent to the second polarizer.

3. The transflective display device as claimed in claim 1, wherein the optical compensation plate is a half-wave plate (HWP) having a phase retardation of $\lambda/2$.

4. The transflective display device as claimed in claim 1, wherein the first polarizer has a transmissive axis perpendicular to a transmissive axis of the second polarizer.

5. The transflective display device as claimed in claim 1, wherein the optical compensation plate has a short axis disposed at a 45° angle to the transmissive axis of the second polarizer.

6. The transflective display device as claimed in claim 1, wherein the liquid crystal molecules in the liquid crystal layer have a twisting angle of 0°~50°.

7. The transflective display device as claimed in claim 1, further comprising a color filter layer formed overlying the inner surface of the upper substrate.

8. The transflective display device as claimed in claim 1, further comprising a common electrode layer formed overlying the inner surface of the upper substrate.